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HUNTON & WILLIAMS LLP INTELLECTUAL PROPERTY DEPARTMENT 1900 K STREET, N.W. SUITE 1200 WASHINGTON, DC 20006-1109			EXAMINER FISCHER, ANDREW J	
			ART UNIT 3627	PAPER NUMBER

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Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/630,595

Applicant(s)

RAU ET AL.

Examiner

Andrew J. Fischer

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 18 July 2005.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 26,28-33 and 35-40 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 26,28-33 and 35-40 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
 - ☐ Certified copies of the priority documents have been received in Application No. _____.
 - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☒ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date Feb 19 2003; Feb 13, 2003
- 4) ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: _____

DETAILED ACTION

Acknowledgements

1. Applicants' amendment filed July 18, 2005 is acknowledged. Accordingly, claims 26, 28-33, and 35-40 remain pending.
2. This Office Action, the "Forth Non Final Office Action" is given Paper No. 20050929.
3. All references in this Office Action to the capitalized versions of "Applicants" refers specifically the Applicants of record. References to lower case versions of "applicant" or "applicants" refers to any or all patent "applicants." Unless expressly noted otherwise, references to "Examiner" in this Office Action refers to the Examiner of record while reference to or use of the lower case version of "examiner" or "examiners" refers to examiner(s) generally.
4. This Office Action is written in OACS. Because of this, the Examiner is unable to control formatting, paragraph numbering, font, spelling, line spacing, and/or other word processing issues. The Examiner sincerely apologies for these errors.

Claim Rejections - 35 USC §112 2nd Paragraph

5. The following is a quotation of the 2nd paragraph of 35 U.S.C. §112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.
6. Claims 30 and 31-33 are rejected under 35 U.S.C. §112, 2nd paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. The claims are replete with errors. Some examples follow.
 - a. In claim 30, it is unclear who is "the holder" of the financial account.

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- b. In claim 31, it is unclear if “RFID transponder identification information” is the same or different from “at least some RFID transponder identification information” as recited in claim 26.
 - c. In claim 32, it is unclear if “RFID transponder identification information” is the same or different from “at least some RFID transponder identification information” as recited in claim 26.
 - d. In claim 36, it is unclear if “at least some RFID transponder identification information” is inclusive or exclusive of “at least some RFID transponder identification information” as recited in claim 26.
7. The Examiner finds that because claims 30 and 31-33 are indefinite under 35 U.S.C. §112 2nd paragraph, it is impossible to properly construe the scope of these claims at this time. See *Honeywell International Inc. v. ITC*, 68 USPQ2d 1023, 1030 (Fed. Cir. 2003) (“Because the claims are indefinite, the claims, by definition, cannot be construed.”). However, in accordance with MPEP §2173.06 and the USPTO’s policy of trying to advance prosecution by providing art rejections even though these claim are indefinite, the claims are construed and the art is applied *as much as practically possible*.

Claim Rejections - 35 USC §102

8. Applicants are reminded that during ex parte examination, anticipation requires the examiner to meet the ‘All Elements Test.’ “It is axiomatic that anticipation of a claim under §102 can be found only if the prior art reference discloses every element of the claim, and that anticipation is a fact question” *In re King*, 231 USPQ 136, 138 (Fed. Cir. 1986); see also *In*

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re Schreiber, 128 F.3d 1473, 1477, 44 USPQ2d 1429, 1431 (Fed. Cir. 1997) (“To anticipate a claim, a prior art reference must disclose every limitation of the claimed invention, either explicitly or inherently.”). In other words, all elements of the claimed invention must be disclosed in some fashion for the claim to be anticipated. Additionally, the All Elements Test is equally applicable to method claims although it is each method step which must be shown. “A method or process consists of one or more operative steps, and, accordingly, it is well established that a patent for a method or process is not infringed [or anticipated]¹ unless all steps or stages of the claimed process are utilized.” *NTP Inc. v. Research In Motion Ltd.*, 75 USPQ2d 1763, 1790 (Fed. Cir. 2005)(citations and quotations omitted). Logically, the lack of a single structural element or step would negate anticipation. “[A]bsence from the reference of any claimed element negates anticipation.” *Kloster Speedsteel AB v. Crucible, Inc.*, 793 F.2d 1565, 1571, 230 USPQ 81, 84 (Fed. Cir. 1986).

9. Yet it is important to keep in mind that “[a]n anticipatory reference, however, need not duplicate word for word what is in the claims.” *Standard Havens Prods., Inc. v. Gencor Indus., Inc.*, 953 F.2d 1360, 1369, 21 USPQ2d 1321, 1328 (Fed. Cir. 1991). “While a reference must be considered not only for what it expressly teaches, but also for what it fairly suggests” *In re Bell*, 991 F.2d 781, 785, 26 USPQ2d 1529, 1532 (Fed. Cir. 1993) (citations and quotations

¹ For purposes of the All Elements Test in this particular case, infringement is analogous to anticipation in light of the axiom of “that which infringes if later, anticipates if earlier” *Polaroid Corp. v. Eastman Kodak Co.*, 789 F.2d 1556, 1573, 229 USPQ 561, 574 (Fed. Cir. 1986) citing *Peters v. Active Mfg. Co.*, 129 U.S. 530, 537 (1889). In other words, “if the prior art infringes now, logically the prior art should have anticipated the claim before the filing of the . . . patent.” *SmithKline Beecham Corp. v. Apotex Corp.*, 403 F.3d 1328, 74 USPQ2d 1398, 1405 (Fed. Cir. 2005) (citations omitted).

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omitted).² In other words, “[t]he use of patents as references is not limited to what the patentees describe as their own inventions or to the problems with which they are concerned. They are part of the literature of the art, relevant for all they contain.” *In re Heck*, 699 F.2d 1331, 1332-33, 216 USPQ 1038, 1039 (Fed. Cir. 1983)(quoting *In re Lemelson*, 397 F.2d 1006, 1009, 158 USPQ 275, 277 (CCPA 1968)).³

10. It is the Examiner’s position that for anticipation, an examiner can combine that what is old and well known in the art in combination with a reference. “A reference anticipates a claim if it discloses the claimed invention ‘such that a skilled artisan could take its teachings in combination with his own knowledge of the particular art and be in possession of the invention. [Emphasis in original.]’” *In re Graves*, 69 F.3d 1147, 1152, 36 USPQ2d 1697, 1701 (Fed. Cir. 1995) citing *In re LeGrice*, 301 F.2d 929, 936, 133 USPQ 365, 372 (CCPA 1962) and noting that regarding the claimed “simultaneously monitoring the selected multiple connection points,” the prior art “nevertheless anticipates [the claimed invention], even if it does not specifically disclose simultaneous monitoring of the output points, if simultaneous or parallel monitoring is within the knowledge of a skilled artisan.” *Graves*, 69 F.3d at 1152, 36 USPQ2d at 1701. See also *Helifix Ltd. v. Blok-Lok, Ltd.*, 208 F.3d 1339, 1347, 54 USPQ2d 1299, 1304 (Fed. Cir. 2000) (noting that “The brochure might nevertheless be anticipating if a person of ordinary skill in the art would understand the brochure as disclosing elements (8)-(10) and if such a person could have combined the brochure’s description of the invention with his own knowledge to make the

² See also *In re Widmer*, 353 F.2d 752, 757, 147 USPQ 518, 523 (CCPA 1965)(noting that a reference is not limited to its examples, but is available for all that it fairly discloses and suggests).

³ See MPEP §2123, Subsection titled “Patents Are Relevant as Prior Art for All They Contain.”

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claimed invention.”); and *In re Donohue*, 766 F.2d 531, 533, 226 USPQ 619, 621 (Fed. Cir. 1985) (“Such possession is effected if one of ordinary skill in the art could have combined the publication's description of the invention with his own knowledge to make the claimed invention,” citing *In re LeGrice*, 301 F.2d at 939, 133 USPQ at 373-74.).

11. With the above in mind, the following is a quotation of the appropriate paragraphs of 35 U.S.C. §102 that form the basis for the rejections under this section made in this Office Action:

A person shall be entitled to a patent unless –

(a) the invention was known or used by others in this country, or patented or described in a printed publication in this or a foreign country, before the invention thereof by the applicant for a patent.

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States. . . .

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

12. Claims 26, 28-33, and 35-40, as understood by the Examiner, are rejected under 35

U.S.C. §102(e) as being anticipated by Moskowitz et. al. U.S. 5,528,222)(“Moskowitz”).

Moskowitz discloses the claimed invention including: an RFID credit card (Figure 12). In this particular rejection, “at least some credit card information” is the credit card owner’s name, or alternatively, the expiration date of the credit card. All other functions, steps, and structure is inherent in an ordinary credit card transaction. For example, receiving by a transponder server of an issuing bank the at least some credit card information is old and well known in the art and therefore inherent in a ordinary credit card transaction. Alternatively, receiving by a transponder server of a credit network the at least some credit card information is also old and well known in the art and therefore inherent in the ordinary credit card transaction. Additionally, the Examiner

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finds that embedding transponders in keys is old and well known in the art. Finally, with respect to claim 31, the Examiner interprets "RFID transponder identification information" as the account number.

13. Claims 26, 28-33, and 35-40, as understood by the Examiner, are alternatively rejected under 35 U.S.C. §102(e) as being anticipated by Haynes (U.S. 5,484,997). Like Moskowitz above, Haynes discloses the claimed invention including: an RFID credit card (Figures 1 & 2). In this particular rejection, "at least some credit card information" is the credit card owner's name, or alternatively, the expiration date of the credit card. All other functions, steps, and structure is inherent in an ordinary credit card transaction. As noted above, receiving by a transponder server of an issuing bank the at least some credit card information is old and well known in the art and therefore inherent in the credit card transaction. Alternatively, receiving by a transponder server of a credit network the at least some credit card information is also old and well known in the art and therefore inherent in a credit card transaction. Also as noted above, the Examiner finds that embedding transponders in keys is old and well known in the art. Finally, with respect to claim 31, the Examiner again interprets "RFID transponder identification information" as the account number.

14. The Examiner maintains his position that an ordinary credit card is a transponder. It is the Examiner's factual determination that there are at least three (3) basic types of RF tags: passive RF tags, active tags without a battery, and active tags with a battery. See e.g. Ghaem *et. al.* (U.S. 5,495,250) C1, L45 to C2, L24 for a discussion of the strengths and weaknesses of these three (3) types. See also Applicants' Exhibit 'A' filed November 12, 2004, page 2, and the paragraph describing the term 'passive transponder.'

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15. Additionally, credit card authorization at a retail establishment is very old and well known in the art. See *e.g.* Cole et. al. (U.S. 5,850,217) (“Cole”) C1, L26 through C2, L6 which discusses the standard authorization process and Figure 3 for an old and well known credit card receipt; see also Ruppert et. al. (U.S. 5,640,002) (“Ruppert”) C32, L45 through C33, L3.

Moreover, during the typical credit card authorization process well known to those skilled in the art, the credit card provides at least the credit card account number, the name of the card holder or user name, and expiration date. See *e.g.* Ruppert, C32 L58-66; and ABA, pp 66, #4. Finally, it is old and well known in the art that the merchant must also send the order total and the merchant identification number to the authorization center before the merchant can receive the authorization code. See *e.g.* Ruppert, C34 L39-44.

16. The Examiner maintains his position that that inherent features, like directly disclosed features, are established by a preponderance of the evidence. In other words, preponderance of the evidence is used to show the natural flowing result. Therefore if “the disclosure is sufficient to show that the natural result flowing from the operation as taught would result in the performance of the questioned function, it seems to be well settled that the disclosure should be regarded as sufficient.” *In re Oelrich*, 666 F.2d 578, 581, 212 USPQ 323, 326 (CCPA 1981) (quoting *Hansgirk v. Kemmer*, 26 CCPA 937, 940, 102 F.2d 212, 214, 40 USPQ 665, 667 (1939)); and *SmithKline Beecham Corp. v. Apotex Corp.*, 403 F.3d 1328, 74 USPQ2d 1398, 1406 (Fed. Cir. 2005) (“the disclosure of the prior art is sufficient to show that the natural result flowing from the operation as taught in the prior art would result in the claimed” item, then those features are inherent. (citations and quotations omitted)). Thus the Examiner concludes that the

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prior art evidence reasonably allows the Examiner to conclude that the claimed features are present in the prior art.

Claim Rejections - 35 USC §103

17. The following is a quotation of 35 U.S.C. §103(a) which forms the basis for all obviousness rejections set forth in this Office Action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

18. Claims 26, 28-33, and 35-40, as understood by the Examiner, are alternatively rejected under 35 U.S.C. §103(a) as being unpatentable over Moskowitz in view of the The Bank Credit Card Business by the American Bankers Association (hereinafter “ABA”).⁴ It is the Examiner’s principle position that the claims are anticipated because a standard credit card transaction is inherent in the credit card discussed in Moskowitz.

It is the Examiner’s position that ABA describes how a basic credit card transaction occurs. In particular, ABA directly discloses how point of sale terminal (“POS”) processes credit cards. See *Sales Draft Processing* and *Statement Processing* ABA, pp 72-81. ABA also directly discloses that bank tracks transactions including account number (Exhibit 6.9, upper left hand corner); credit limit (Exhibit 6.9, #2); available credit (Exhibit 6.9, #3); and balance (Exhibit 6.9, #20).

⁴ See MPEP §2112 expressly authorizing alternative §102/§103 rejections when the question of inherency is present in the anticipation rejection.

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Therefore if not inherent, it would have been obvious to a person having ordinary skill in the art at the time the invention was made to modify Moskowitz as taught by ABA to include a description of an ordinary credit card transaction. Such a modification would have showed the natural flowing result of how the credit card user in Moskowitz would have used his or her RFID credit card.

19. Claims 26, 28-33, and 35-40, as understood by the Examiner, are alternatively rejected under 35 U.S.C. §103(a) as being unpatentable over Haynes in view of the ABA. It is the Examiner's principle position that the claims are anticipated because a standard credit card transaction is inherent in the credit card discussed in Haynes.

Therefore if not inherent, it would have been obvious to a person having ordinary skill in the art at the time the invention was made to modify Haynes as taught by ABA to include a description of an ordinary credit card transaction. Such a modification would have showed the natural flowing result of how the credit card user in Haynes would have used his or her RFID credit card.

20. For due process purposes and because Applicants have not objectively indicated and redefined claim limitation(s) to have meanings other than their ordinary and accustomed meanings, the Examiner again confirms that Applicants have decided not to be their own lexicographer. To support this position, the Examiner again notes the following factual findings as first discussed in the previous Office Actions.⁵ First, the Examiner has again carefully

⁵ See the First Non Final Office Action mailed May 16, 2002, Paragraph No. 13; the First Final Office Action mailed August 29, 2002, Paragraph No. 12; the Second Non Final Office Action mailed March 4, 2003, Paragraph No. 13; the Second Final Office Action mailed January 21,

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reviewed the specification and prosecution history and can not locate any lexicographic definition(s). Second, the Examiner finds that not only have Applicants not pointed to definitional statements in their specification or prosecution history, Applicants have also not pointed to a term or terms in a claim with which to draw in those statements⁶ with the required clarity, deliberateness, and precision.⁷ Third, after receiving express notice of the Examiner's position that lexicography is *not* invoked,⁸ Applicants' responses have not point out the "supposed errors" in the Examiner's position regarding lexicography invocation in accordance with 37 C.F.R. §1.111(b) (*i.e.* Applicants did not argue lexicography *was* invoked). Forth and to be sure of Applicants' intent, the Examiner also notes that Applicants have declined the Examiner's express invitation⁹ to be their own lexicographer. Finally, after receiving express

2004, Paragraph No. 12; and the Third Non Final Office Action mailed April 20, 2005, Page 9, Paragraph No. 22.

⁶ "In order to overcome this heavy presumption in favor of the ordinary meaning of claim language, it is clear that a party wishing to use statements in the written description to confine or otherwise affect a patent's scope must, *at the very least*, point to a term or terms in the claim with which to draw in those statements. [Emphasis added.]" *Johnson Worldwide Assocs. v. Zebco Corp.*, 175 F.3d 985, 989, 50 USPQ2d 1607, 1610 (Fed. Cir. 1999).

⁷ "The patentee's lexicography must, of course, appear 'with reasonable clarity, deliberateness, and precision' before it can affect the claim." *Renishaw PLC v. Marposs Societa' per Azioni*, 158 F.3d 1243, 1249, 48 USPQ2d 1117, 1121 (Fed. Cir. 1998) citing *In re Paulsen*, 30 F.3d 1475, 1480, 31 USPQ2d 1671, 1674 (Fed. Cir. 1994).

⁸ See Note 5.

⁹ See *e.g. Fuji Photo Film Co. v. ITC*, 386 F.3d 1095, 72 USPQ2d 1769, 1773 (Fed. Cir. 2004) (noting that applicants' failure to correct an examiner's characterization of an element of claim interpretation is nevertheless an indication of how a claim should be interpreted since applicant declined the examiner's express invitation to correct a possible error in claim interpretation: "applicant's attention was called to the examiner's interpretation of [how the element was interpreted by the examiner, and] applicant was invited to correct the examiner's interpretation—an invitation the applicant did not accept."

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notice of the preceding factual findings and conclusions, Applicants' latest response again fails to point out the supposed errors in the Examiner's position regarding lexicography invocation in accordance with 37 C.F.R. §1.111(b). Moreover, Applicants' latest response—while fully considered by the Examiner—does not change the Examiner's reasonable conclusion that Applicants have decided not to be their own lexicographer. Therefore (and unless expressly noted otherwise by the Examiner), the heavy presumption in favor of the ordinary and accustomed meaning for claim terminology is confirmed. Accordingly, the claims continue to be interpreted with their "broadest reasonable interpretation," *In re Morris*, 127 F.3d 1048, 1054, 44 USPQ2d 1023, 1027 (Fed. Cir. 1997), and the Examiner continues to rely heavily and extensively on this interpretation.¹⁰

21. Under the broadest reasonable interpretation standard noted above and unless expressly modified in this Office Action, the Examiner maintains his interpretations including the statements and/or definitions of claim limitations as noted in previous office actions. Those previous definitions are part of the administrative record and, in accordance with *In re Morris*, are provided simply as a factual source to support the Examiner's claim interpretations (and ultimately the Board of Patent Appeals and Interferences claim interpretations if necessary¹¹) during ex parte examination.

¹⁰ See 37 C.F.R. §1.104(c)(3) which states in part: "the examiner may rely upon admissions by applicant . . . as to *any matter* affecting patentability [Emphasis added.]"

¹¹ See *Gechter v. Davidson*, 116 F.3d 1454, 1460, 43 USPQ2d 1030, 1035 (Fed. Cir. 1997) ("[W]e hold that the Board is required to set forth in its opinions specific findings of fact and conclusions of law adequate to form a basis for our review.").

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22. Additionally, the Examiner notes that “the PTO and the CCPA acknowledged product-by-process claims as an exception to the general rule requiring claims to define products in terms of structural characteristics.” *Atlantic Thermoplastics Co. v. Faytex Corp.*, 970 F.2d 834, 845, 23 USPQ2d 1481, 1490 (Fed. Cir. 1992) (hereinafter “*Atlantic Thermoplastics v. Faytex I*”). Furthermore, the Federal Circuit “acknowledges that it has in effect recognized . . . product-by-process claims as exceptional.” *Atlantic Thermoplastics v. Faytex I*, 970 F.2d at 847, 23 USPQ2d at 1491.

Because of this exceptional status, the Examiner has carefully reviewed the claims and it is the Examiner’s position that claims 26, 28-33, and 35-40 *do not* contain any product-by-process limitations whether in a conventional format or otherwise. If Applicants disagree with the Examiner, the Examiner respectfully requests Applicants in their next response to expressly point out any product-by-process claim(s) and their limitations so that they may be afforded their exceptional status and treated accordingly. Applicants are reminded that “even though product-by-process claims are limited by and defined by the process, determination of patentability is based on the product itself.” *In re Thorpe*, 777 F.2d 695, 697, 227 USPQ 964, 966 (Fed. Cir. 1985) (citations omitted). See also MPEP §2113. Failure by Applicants in their next properly filed response to also address this issue in accordance with 37 C.F.R. §1.111(b) or to be non-responsive to this issue entirely will be considered intent by Applicants *not* to recite any product-by-process limitations. Unless expressly noted otherwise by the Examiner, the preceding discussion on product-by-process principles applies to all examined claims currently pending.

23. Because Applicants use “comprising” in line 2 of method claim 26, the Examiner interprets claim 26 (and all dependent claims therefrom) as having an “open” transitional phrase.

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“The transition ‘comprising’ in a method claim indicates that the claim is open-ended and allows for additional steps.” *Invitrogen Corp. v. Biocrest Mfg., L.P.*, 327 F.3d 1364, 1368, 66 USPQ2d 1631, 1364 (Fed. Cir. 2003)(citations omitted). See also MPEP §2111.03. Failure by Applicants in their next properly filed response to also address this issue in accordance with 37 C.F.R.

§1.111(b) or to be non-responsive to this issue entirely will be considered intent by Applicants to maintain the presumption that all pending claims are considered open.

Response to Arguments

24. Applicants’ arguments with respect to the claims filed July 18, 2005 (“Remarks”) have been considered but are moot in view of the new grounds of rejection.

25. Regarding Applicants’ remarks that the Examiner keeps changing the art rejections, Applicants are reminded that it is the Examiner’s duty to select and apply pertinent art. *In re Winslow*, 365 F.2d 1017, 151 USPQ 48, 51 (CCPA 1966). The only practical way an applicant can ensure that an examiner will maintain an art rejection is for applicant to *not amend the claims*. Every time the applicant amends the claims, the examiner reviews the claims in conjunction with the prior art de novo.

26. There are a host of reasons why examiners change prior art rejections. At the top of that list is the examiner’s duty to provide the *best possible* prior art rejections. *Id.* Therefore even if a first rejection from a previous office action is still technically proper, if another second rejection is considered a better rejection, the examiner may withdraw the first rejection and substitute therefore the second rejection (or even a third rejection) simply because the examiner believes that the second rejection (or third rejection) is better. Therefore, unless an examiner

expressly states on the record *why* rejections or objections were withdrawn, it is difficult if not impossible to speculate as to why those rejections or objections were withdrawn.

27. Like all office actions, rejections or objections not maintained by an examiner are either moot in view of an applicant's claim amendments or overcome. However other factual findings and legal conclusion remain unless expressly removed by the examiner. Additionally, Applicants' claim amendments and "Remarks" filed both on and before July 18, 2005 (*i.e.* all claim amendments and "Remarks" filed in response to any and all office actions) have been fully considered.

28. Because of Applicants' claim amendments and/or remarks filed both on and before July 18, 2005, any 35 U.S.C. §112 1st paragraph rejection(s) previously made (*i.e.* made in previous office actions) are hereby withdrawn.

29. Because of Applicants' claim amendments and/or remarks filed both on and before July 18, 2005, any 35 U.S.C. §112 2nd paragraph rejection(s) previously made (*i.e.* made in any previous office action) and not maintained in this Office Action are hereby withdrawn.

30. Because of Applicants' claim amendments and/or remarks filed both on and before July 18, 2005, the 35 U.S.C. §101 rejection(s) previously made (*i.e.* made in any previous office action) are hereby withdrawn.

31. Because of Applicants' claim amendments filed on and before July 18, 2005, all prior art rejections (*i.e.* rejection based upon 35 U.S.C. §§ 102, 103) previously made (*i.e.* made in previous office actions) are hereby withdrawn.

32. Regarding lexicography, Applicants' arguments are acknowledged. The Examiner respectfully disagrees with Applicants' position. The Examiner therefore maintains his position,

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as noted in this Office Action, that Applicants are not their own lexicographer. It remains the Examiner's position that as long as Applicants are *not* their own lexicographer, Applicant need not to do anything.

33. Applicants' continue to argue that "[t]he Examiner again raises an objection to functional recitations."¹² As noted repeatedly, the Examiner has *never objected to functional language*. To be clear, if the Examiner did object to functional language, the specification, the drawings, or perhaps even the claims, the Examiner would have provided a title in bold letters expressly named "Objections," "Claim Objections," "Objections to the Drawings," or perhaps even "Objections to the Specification." Because there are no headings in the previous office action labeled "Objections" or "Claim Objections," the Examiner has *not objected to functional language*. Providing guidance on how an examiner interprets claims is not necessarily an objection (or even rejection for that matter). For example, providing factual findings and legal conclusions in accordance with MPEP §2181 on how an examiner applies 35 U.S.C. §112 6th paragraph is not an objection or even a rejection—it is simply guidance as to how the examiner interprets claim language. So unless an examiner expressly states that a particular claims is 'objected to' or 'rejected,' Applicant can safely assume that the claim, specification, or drawing is neither 'objected to' or 'rejected.' In light of the above, the Examiner again notes the following:

34. Functional recitation(s) using the word "for," "configured to," or other functional terms (e.g. "for payment at a point of sale device" as recited in claim 1) have been considered but given

¹² Applicants' Remarks, Page 25, §B., 1st sentence.

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less patentable weight¹³ because they fail to add any steps and are thereby regarded as intended use language. A recitation of the intended use of the claimed invention must result in additional steps. See *Bristol-Myers Squibb Co. v. Ben Venue Laboratories, Inc.*, 246 F.3d 1368, 1375-76, 58 USPQ2d 1508, 1513 (Fed. Cir. 2001) (Where the language in a method claim states only a purpose and intended result, the expression does not result in a manipulative difference in the steps of the claim.).

35. Applicants also argue that *Bristol-Myers Squibb* is distinguishable since the particular claim language is found in the preamble. This is not found persuasive. It is the Examiner's position that it makes no difference whether or not the functional language is in the preamble or in the body of the claim since it's the *claim language*—and not where in the claim the language is found—that matters. In any event, even if Applicants are ultimately persuasive on this point, the claims remain anticipated and/or obvious in view of the prior art.

36. As noted above, the Examiner maintains his position on the definition of 'transponder.'

37. Applicants' arguments regarding "In light of the specification" have been considered but are not persuasive because Applicants through their specification, claims, and remarks have decided to use neither 35 U.S.C. 112 6th paragraph nor lexicography.

38. Regarding pertinence of references, it is the Examiner's position that the pertinence of references is self evidence from the content of the reference. For example, Applicants have decided to claim "a transaction." Both the Uniform Commercial Code and White & Summers are useful when ascertaining what is "a transaction." Bragg is pertinent because it is useful in

¹³ See *e.g. In re Gulack*, 703 F.2d 1381, 217 USPQ 401, 404 (Fed. Cir. 1983)(stating that although all limitations must be considered, not all limitations are entitled to patentable weight).

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determining what is considered a preferred practice of a customer or merchant since it provides tools that “can drastically cut the cost of operating all aspects of an accounting department”

For example, the use of a credit card as a procurement card may be desirable in order to provide account limits which are placed on the purchaser. See Bragg, pp 43-44. Additionally, because merchants rely on sales of goods or services for profits, it is self evident that accounting is an important function in maintaining the health or viability of a business.

Conclusion

39. Applicants’ amendment filed July 18, 2005 necessitated the new grounds of rejection presented in this Office Action. Accordingly, this action is made final. See MPEP §706.07(a). Applicants are also reminded of the extension of time policy as set forth in 37 C.F.R. §1.136(a).

A shortened statutory period for reply to this final action is set to expire three months from the mailing date of this action. In the event a first reply is filed within two months of the mailing date of this final action and the advisory action is not mailed until after the end of the three-month shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 C.F.R. §1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than six months from the date of this final action.

40. References considered pertinent to Applicants’ disclosure are listed on form PTO-892. All references listed on form PTO-892 are cited in their entirety.

41. The following two (2) citations to the Manual of Patent Examining Procedure (“MPEP”) apply to this Office Action: MPEP citations to Chapters 100, 200, 500, 600, 700, 1000, 1100,

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1300, 1400, 1500, 1700, 1800, 2000, 2100, 2200, 2500, 2600, and 2700 are from the MPEP 8th Edition, Rev. 2, May 2004. All remaining MPEP citations are from MPEP 8th Edition, August 2001.

42. Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

43. Applicants are reminded that patents are written by and for skilled artisans. See *Vivid Technologies, Inc. v. American Science and Engineering, Inc.*, 200 F.3d 795, 804, 53 USPQ2d 1289, 1295 (Fed. Cir. 1999) (“patents are written by and for skilled artisans”). The Examiner therefore starts with the presumption that Applicants are skilled artisans who possess at least ordinary skill in the art. Consequently, it is the Examiner’s position that because the patent references of record are directed to those with ordinary skill in this art, these references are clear, explicit, and specific as to what they teach. Nevertheless some applicants apparently have difficulty understanding the references. In an effort to maintain compact prosecution, provide due process, and to help these applicants understand the contents of a reference when viewed from the position of one of ordinary skill in this art, Applicants are hereby given actual notice that if after reasonably reading any reference of record, if Applicants can not reasonably understand or if Applicants have difficulty comprehending one or more sentence(s), statement(s), diagram(s), or principle(s) set forth in one or more of the reference(s) of record, Applicants

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should (in their next appropriately filed response) bring this issue to the attention of the Examiner. In addition to bringing this issue to the attention of the Examiner, and in accordance with 37 C.F.R. §1.111(b), Applicants' response must also state *why* they either do not understand or have difficulty comprehending the reference. If after properly receiving *and* entering (*i.e.* Applicants' response is made of record) both Applicants' request for understanding and the reasons as to *why* the request is made—and assuming the reference is germane to at least one outstanding rejection—the Examiner may either provide a substitute reference, or alternatively, do his best to elucidate the particular sentence(s), statement(s), diagram(s), or principles(s) at issue in a reasonable manner.

44. Because this application is now final, Applicants are reminded of the USPTO's after final practice as discussed in MPEP §714.12 and §714.13 and that entry of amendments after final is *not* a matter of right. "The refusal of an examiner to enter an amendment after final rejection of claims is a matter of discretion." *In re Berger*, 279 F.3d 975, 984, 61 USPQ2d 1523, 1529 (Fed. Cir. 2002) (citations omitted). Furthermore, suggestions or examples of claim language provided by the Examiner are just that—suggestions or examples—and do not constitute a formal requirement mandated by the Examiner. Unless stated otherwise by an express indication that a claim is "allowed," exemplary claim language provided by the Examiner to overcome a particular rejection or to change claim interpretation has *not been addressed* with respect to other aspects of patentability (*e.g.* §101 patentable subject matter, §112 1st paragraph written description and enablement, §112 2nd paragraph indefiniteness, and §102 and §103 prior art). Therefore, any claim amendment submitted under 37 C.F.R. §1.116 that incorporates an

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Examiner suggestion or example or simply changes claim interpretation will nevertheless require further consideration and/or search and a patentability determination as noted above.

45. In accordance with the USPTO's goals of customer service, compact prosecution, and reduction of cycle time, the Examiner has made every effort to clarify his position regarding claim interpretation and any rejections or objections in this application. Furthermore, the Examiner has again provided Applicants with notice—for due process purposes—of his position regarding his factual determinations and legal conclusions. The Examiner notes and thanks Applicants for their "Remarks" (beginning on page 5) traversing the Examiner's positions on various points. If Applicants disagree with any additional factual determination or legal conclusion made by the Examiner in this Office Action whether expressly stated or implied,¹⁴ the Examiner respectfully reminds Applicants to properly traverse the Examiner's position(s) in accordance with 37 C.F.R. §1.111(b) in their next properly filed response. By addressing these issues now, matters where the Examiner and Applicants agree can be eliminated allowing the Examiner and Applicants to focus on areas of disagreement (if any) with the goal towards allowance in the shortest possible time. If Applicants have any questions regarding the Examiner's positions or have other questions regarding this communication or even previous communications, Applicants are strongly encouraged to contact Examiner Andrew J. Fischer whose telephone number is (571) 272-6779. If attempts to reach the Examiner by telephone are unsuccessful, the Examiner's immediate supervisor, Alexander Kalinowski, can be reached at (571) 272-6771. The fax number for facsimile responses is now (571) 273-8300.

¹⁴ *E.g.*, if the Examiner rejected a claim under §103 with two references, although not directly stated, it is the Examiner's implied position that the references are analogous art.

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ajf Fischer 9/29/05

Andrew J. Fischer
Primary Examiner
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AJF
September 29, 2005